

Message Text

CONFIDENTIAL

PAGE 01 STATE 088096

13-12

ORIGIN EB-03

INFO OCT-01 SS-14 ISO-00 ARA-06 L-01 SCCT-01 INR-05 NSC-05

NSCE-00 SP-02 CIAE-00 /038 R

66626

DRAFTED BY EB/IFD/OIA:DHSTEBBING

APPROVED BY ARA/NC:FDEVINE

L/ARA:DGANTZ

EB/IFD/OIA:RJSMITH

ARA/ECP:JO'MAHONEY

S/CCT:RFEAREY

----- 043381

P 122327Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS PRIORITY

C O N F I D E N T I A L STATE 088096

LIMDIS

E.O. 11652: GDS

TAGS: EINV, PINS, VE

SUBJECT: OWENS-ILLINOIS NATIONALIZATION

1. ALTHOUGH PRESIDENT PEREZ HAS ABRUPTLY AND PUBLICLY COMMITTED HIS GOVERNMENT TO NATIONALIZATION OF OWENS-ILLINOIS, WE ARE RELUCTANT TO CONCLUDE THAT THE GOV WILL NOT COME TO PERCEIVE THE DISADVANTAGES OF THIS COURSE TO VENEZUELA. WE WOULD APPRECIATE YOUR VIEWS AS TO THE ADVISABILITY AND TIMING OF POSSIBLY SEEING THE PRESIDENT AGAIN IN AN ATTEMPT TO DEVELOP A FORMULA FOR O-I THAT WOULD PERMIT THE COMPANY TO CONTINUE OPERATING IN VENEZUELA WHILE SATISFYING PEREZ' SELF-IMPOSED POLITICAL IMPERITIVES.

2. SUCH A DEMARCHE MIGHT BE BASED ON TWO ELEMENTS:

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 088096

A. EMPHASIZE ONCE AGAIN THE FUNDAMENTAL AGREEMENT BETWEEN

OUR GOVERNMENTS ON THE ISSUE OF TERRORISM. IT WOULD BE POINTED OUT, HOWEVER, THAT A PRINCIPAL EFFECT OF NATIONALIZING O-I WOULD BE TO ENCOURAGE FURTHER ACTS OF THE SAME KIND, SINCE THE KIDNAPPERS WOULD SURPASS THEIR FURTHEST OBJECTIVES WERE THEY TO SUCCEED IN FORCING A MAJOR COMPANY OUT OF VENEZUELA AND IN CREATING A PROBLEM IN RELATIONS WITH THE U.S.

3. OFFER USG COOPERATION IN SEEKING A SATISFACTORY ALTERNATIVE TO FORCED NATIONALIZATION BY THE GOV, INCLUDING PERHAPS A WRITTEN APOLOGY TO PEREZ BY THE COMPANY. WE WOULD WELCOME SUGGESTIONS FROM HIM AS TO WHAT MIGHT MEET HIS NEEDS.

3. WE RECOGNIZE THAT PEREZ MAY WELL INSIST ON SOME CHANGE IN O-I STATUS IN ANY EVENT, AND THAT DISPOSITION TO RELAX HIS INITIAL STAND WILL PROBABLY COME ONLY WITH TIME, IF IT COMES AT ALL. THEREFORE AN APPROACH OF THIS KIND MIGHT USEFULLY OCCUR IN THE CONTEXT OF O-I TALKS WITH THE GOV, AND PERHAPS BE TIMED TO COINCIDE WITH AN O-I PROPOSAL OF A MEANS TO RESOLVE THE SITUATION. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: KIDNAPPING, NATIONALIZATION, POLICIES, DEMARCHE, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 APR 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE088096
Document Source: CORE
Document Unique ID: 00
Drafter: DHSTEBBING
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760139-0301
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760470/aaaachxo.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 22 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 JUL 2004 by BoyleJA>; APPROVED <01 NOV 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OWENS-ILLINOIS NATIONALIZATION
TAGS: EINV, PINS, VE, OWENS-ILLINOIS, (NIEHOUS, WILLIAM F)
To: CARACAS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006